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NATION IN GRIP OF OIL AND GAS CRISIS

Karachi MORNING NEWS in English 9 Mar 80 p 8

[Text] India is in grip of worst type of oil and gas crisis following an indefinite closure of four oil refineries owing to agitation in Assam bordering on succession movement with no solution in sight.

The harshest spin off from the movement is the fuel crisis that gripped the entire north east and other parts of the country. This is caused by picketing at vital points along the 710 miles long pipeline that carries Assam's annual yield of 4.6 million tonnes of crude oil to a Bihar refinery.

Indian Petroleum Minister PC Sethi is reported to have stated that the present shortage and statutory cuts in the supply of diesel and kerosene would continue. The shortfall would not only disrupt agricultural operations, but was bound to adversely affect the running of cement, steel and other industrial units, besides stalling the movement of rail and road transportation, he added.

Mr Sethi confirmed that as of now there is no news of withdrawal of picketing by Assam students which had led to the closure of three refineries in Assam (Gauhati, Bongaigaon and Digboi) and one in Bihar (Barauni).

These refineries depend on the supply of crude from Assam's oil-fields which are also being picketed. The daily loss in crude production has been estimated at 14,000 tonnes.

Mr Sethi said the closure of the refineries had led to a daily production loss of 5,000 tonnes of diesel and 1,000 tonnes of kerosene. Since the agitation began, there had been a loss of production to the extent of nearly 200,000 tonnes of diesel (approximately valued at Rs 56 crore) and about 50,000 tonnes of kerosens (nearly Rs 15 crore), he said.

The fresh fuel crisis has aggravated the problems of the society, housewives are no exception.

Gas Connections

Cooking gas connections, which are by no means turnknop facility which Pakistani urbanites enjoy as matter of routine, has been a privilege of a few in Indian capital. The permit holders get a gas cylinder for domestic cooking. A cylinder normally lasts a fortnight and once the cylinder runs out the consumer has to wait sometimes for two to three days to get replacement.

Gas connection is not a right of everybody. The petroleum Ministry has fixed priorities for certain category of consumers and even those supposed to be enjoying priority category have to wait for months if not years for their turn.

With the deepening of recent fuel crisis, new domestic gas connections have been banned throughout the country. The kerosene quota of domestic consumers has also been curtailed with citizens not knowing how to cook their food.

In the meanwhile, the prices of commodities, particularly essential ones are on the increase with the rate of inflation now running at about 23 percent in India.

Quoting official data, the statement has reported that the official wholesale prices index was 22.9 percent on Feb 9 compared to 21.9 percent in the previous week.

CSO: 4220

SPOT MARKET SALES OF INDONESIAN CRUDE OIL

Jakarta KOMPAS in Indonesian 19 Dec 79 pp 1, 5

[Article: "Indonesian Crude Oil Is Sold In Spot Market"]

[Excerpts] Indonesian crude oil, it turns out, is also being sold in the world spot market, at a price higher than the official price which is set by the Indonesian Government. At the moment Indonesia itself cannot sell its crude oil higher than at the official price, because it is bound both by the OPEC price agreement as well as by fulfilling the volume of contracts which have been signed.

According to KOMPAS source who was quoting data from a foreign journal, between 1 January 1979 and 31 May 1979, it is recorded that 3,212,000 barrels of Indonesian crude oil were sold on the spot market at a price from 2 and 12 US dollars per barrel above the official Indonesian export price.

Based on those figures alone, it is calculated that the profit earned by the difference between the transaction price and the official price was more than \$16.6 million.

Further, between 1 June and 30 September 1979, it is noted that 1,679,000 barrels of Indonesian crude oil were again sold through the spot market, with a price differential of between 8 and 13 US dollars above the Indonesian export price. It is calculated that from this period the profit from the price differential alone was more than \$17.8 million.

According to the data, the Indonesian crude oil involved consisted of crude oil types Bekapai, Sanga-sanga, Attaka, Arjuna, Cinta, and Duri.

Bekapai crude oil originates from the oil field in East Kalimantan, which is operated by the contractors Total Indonesia and Inpex, under a product-sharing arrangement with Pertamina. The Pertamina share of production should have been exported to the United States, while the share of the two contractors was intended for export to Japan.

Sanga-sanga crude oil also originates from the oil field in East Kalimantan, which is operated by the contractor Tesoro in the framework of a production sharing arrangement with Pertamina. The production of this field is intended for export to the United States.

Attaka crude oil is also produced from the oil field in East Kalimantan, which is worked by the contractors Union and Inpex. The Pertamina share from this field is exported for the United States market, while the share of the contractors is for the United States and Japan.

Arjuna crude oil originates from the off-shore oil field in the Java Sea, which is worked by the contractor Arco under a production sharing arrangement with Pertamina. The Pertamina share of this field is allocated for export to France and Japan, while the share of the contractor is for export to the U.S. and Japan.

Cinta crude oil originates from the off-shore oil field in the Java Sea, which is operated by the contractor IIAPCO under a production sharing arrangement with Pertamina. The Pertamina share of this oil field is exported to Japan, and the same also with the share of the contractor.

Duri crude oil, meanwhile, comes from the oil field in Riau, which is worked by the contractor PF CPI, under a contract of work with Pertamina. Duri oil is intended for export to the U.S., Japan, and a small amount to Trinidad.

According to the source, Indonesian crude oil sold on the spot market passes through a business firm which has an address in Singapore. In this connection the Indonesian crude oil in these categories is not allocated for export to Singapore.

It is stated further that a quantity of Indonesian crude oil was also sold on the spot market last November, at a price between \$34 per barrel for low quality to \$40 per barrel for good quality. Attaka and Bekapai crude oil is among the highest quality from Indonesia, while Sanga-sanga crude oil is of lower quality.

The Singapore firm is also said still to have an allocation for December of two million barrels of oil of the types Attaka, Bekapai, Cinta and Handil. But it seems that this oil is still being held off from sale on the spot market, awaiting better price developments after the OPEC meeting.

According to businessmen on the spot market, Attaka oil may be offered at a price of \$42 per barrel and Handil oil at \$38.50 per barrel, but there were no sales at that price, as they awaited even greater increases in price.

According to the newest list of official export prices, which is in effect beginning 17 December 1979, Attaka crude oil is at the level of \$27.90 per barrel; Handil crude at \$25.60 per barrel; Bekapai at \$27.90 per barrel; and Cinta at \$25.40 per barrel.

Pertamina itself states that the Pertamina share of crude oil is not sold on the spot market. All of it is channeled to established customers who are protected by long-term contracts.

At times up to the present both Minister of Mining and Industry Subroto as well as the Managing Director of Pertamina, Piet Haryono, have stated that Indonesia does not sell petroleum on the spot market, as is done by some states which are members of OPEC.

In a working meeting with Committee VI of Parliament last November Minister Subroto again declared that Indonesia will not join in selling crude oil on the spot market, both because it respects the agreement with OPEC regarding the highest price level (\$23.50 per barrel at that time), as well as because it is committed to fulfillment of domestic needs as well as long-term contracts which must be performed. Nevertheless, at that time Minister Subroto added that if there is an excess of production above the total amount contracted for and if buyers are ready to pay higher prices, this opportunity needs to be considered further.

The Foreign Marketing Section of Pertamina states that foreign contractors are indeed free to sell the crude oil which is their portion. There is no limit on them, except that Indonesian crude oil may not be exported to Israel, Rhodesia and South Africa. But it is admitted that it is difficult to be sure that Indonesian oil which is sold on the spot market is not bought by Israel, Rhodesia or South Africa, although it is hoped that foreign contractors in Indonesia will not dare to take such a heavy risk.

Regarding the profit which is believed to be around \$34 million from the sale on the spot market of as much as 4.8 million barrels, an official of the Foreign Marketing Section of Pertamina states in jest that that profit is still relatively small. With that much crude oil, he says, if he could sell it on the spot market, the least he could get would be a profit of \$67 million, "in fact possibly more."

5170
CSO: 4213

PERTAMINA TO PROVIDE FOREIGN EXCHANGE, FUEL OIL

Jakarta KOMPAS in Indonesian 10 Dec 79 pp 1, 13

[Article: "Pertamina Given Dual Task of Providing Funds and Fuel Oil for Development"]

[Excerpts] Pertamina [National Oil and Natural Gas Co] has the task of carrying out two basic development tasks given to it by the government. First Pertamina must be able to export oil so as to produce sufficient funds for development. Second, it must provide the oil required domestically for development. The amount of this is increasing each year.

So this represents two tasks that are basically contradictory to each other. To solve this contradiction there is no other way for Pertamina than to increase production.

General Director of Pertamina Piet Haryono said this to massmedia leaders in Jakarta on 8 December in relation to Pertamina's 22nd anniversary. The ceremonies are to be held on 10 December.

A production level of one million barrels a day was reached for the first time in 1972. In 1979 Indonesian oil production was 1.6 million barrels a day, consisting of 87,000 barrels a day produced by Pertamina, 53,000 barrels a day produced by Lemigas, 754,000 barrels a day produced through production-sharing contracts and 782,000 barrels a day produced through work contracts.

According to Piet Haryono, Indonesian oil production in 1979 has actually decreased. But foreign prices have increased so that the targeted amount of money has been reached.

Piet Haryono said that the peak period of Indonesian oil production was reached in 1977. But this was the result of prior exploration. In 1976 there was a decrease in exploration. Some feel the decline was the result of the ratio change for production-sharing contracts from 65:35 to 85:15, the larger figure being Indonesia's share.

but that is not the only reason. Whatever the reasons though, the result was a decline in production for the following four to five years. This is the decrease we are experiencing now.

Beginning in 1977 an increase in investment took place in the exploration sector and actually reached the \$300 million targeted for 1979. That figure has now been exceeded.

Answering a different question, Piet Haryono said that concession areas not considered important are now being taken up by foreign companies and signature bonuses have reached up to \$18 million.

Haryono said that in view of all this, there is an upswing in oil activities in Indonesia now. In the book PERTAMINA TODAY published in Hong Kong, which was published in conjunction with its 22nd anniversary, it is stated that total oil investment in Indonesia increased from \$870 million in 1977 to \$1.1 billion in 1978.

Oil reserves in Indonesia are also really encouraging. Only 10 percent of the reserves has been discovered with 90 percent still untouched.

Speaking about fuel oils [BBM] Piet Haryono explained that if there is an increase in foreign oil prices, the cost of producing BBM will automatically increase. This is because BBM are produced from imported oil.

However, this does not mean that the prices of BBM domestically will increase proportionally. Just how much BBM prices will go up following the increase decided on by OPEC, depends on the government policy of just how much subsidy the government will provide.

This information was given by Piet Haryono in response to a question concerning the possibility of the government providing up to one trillion rupiahs if the price of BBM are only increased by 10 percent next year. If, however, the government only provides a subsidy of 500 billion rupiahs, the price increase will be between 20-30 percent.

Concerning the planned hydrocracker project to be built at Dumai, Piet Haryono, speaking informally and using terms from various languages, said that now that the government has decided on the system to be used, the possibility can be explored of a production-sharing venture with a foreign company that wants to invest capital here.

Asked about the price being cheaper if Pertamina made the investment itself, Piet Haryono said that this is true because if we use our own money there would be no need to pay interest. But he was not prepared to answer any questions on the possibility of using Indonesian foreign exchange which is presently strong. This is completely a decision to be made by the government, he added.

When the hydrocracker is complete, a part of the difficulty in providing BBM domestically will have been overcome. Indonesian crude oil contains 60-70 percent of LSWR (low sulphur waxy residue). At present LSWR is sold directly to be used as fuel oil. With the hydrocracker, the LSWR can be processed into several types of BBM such as kerosene, solar fuel and diesel oil.

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CSO: 4213

INFLATION, FOREIGN EXCHANGE RESERVES, EXPORTS REVIEWED

Jakarta KOMPAS in Indonesian 6 Dec 79 pp 1, 14

[Article: "November Inflation Rate Only 0.57 Percent"]

[Excerpt] Based on the consumers price index which is based on 150 kinds of goods and services in 17 cities, the inflation rate for November was only 0.57 percent. So the inflation rate for all of 1979 (January-November) was around 22 percent, while for the fiscal 1979 part of it (April-November) it was 16.5 percent.

These figures which came out of the cabinet meeting restricted to the Ekuin sectors [economy, finance and industry] held at the Bina Graha on 5 December were announced by Minister/State Secretary Soedharmono S.H.

Thus, both the expectations and hopes that the inflation rate during 1979 and during the fiscal 1979 would be less than 25 percent can be reached provided the inflation rate for December through March can be controlled.

During the last three months (September, October, November) the inflation rate has been below 1 percent, while in the preceeding months it reached more than 1 percent and even more than 2 percent.

Minister/State Secretary Soedharmono also reported what was said by the governor of the Bank of Indonesia at a conference several days ago, namely, that on 29 November foreign exchange reserves stood at \$4.1 billion. This is an increase of \$1.4 billion over the amount of reserves in November 1978 (\$2.7 billion) and an increase of \$1.2 billion over the amount of the reserves in May 1979 (\$2.9 billion).

The higher figure is due to increases in the price of petroleum exports and the amount and prices of non-oil and natural gas exports. So, compared to the situation in January-November 1978, the amount of foreign exchange income from non-oil and natural gas exports increased 52 percent for the January-November 1979 period.

According to Soedharmono, these exports which increased included rubber, coffee, tin, sawit coconut oil, textiles and ready-made clothing. There were also a number of new exports such as fertilizer, cement, handicrafts, electrical equipment, leather goods, etc. In fact during the 11 months, increases in this new category of exports accounted for non-oil and natural gas commodities.

During the same 11 months, imports by Indonesia also increased and foreign exchange payments for these increased 23 percent, Soedharmono said without detailing amounts and prices.

Minister/State Secretary Soedharmono concluded that this is an indication that the steps taken in the 15 November policy have begun to show results, even though these should actually be evaluated over a longer period, namely, the period of Pelita [five-year development program] III, because the 15 November policy was intended to safeguard the carrying out of Pelita III itself.

The increase in foreign exchange reserves at least guarantees the stability of the reserves and of the rupiah, and the capability of importing, which means a guarantee of the production growth rate.

As viewed from abroad, a large foreign exchange reserve creates increased trust in Indonesia, and is a guarantee that the Indonesian economy can be further expanded.

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CSO: 4213

BUDGETARY REVENUE ESTIMATES DISCUSSED

Jakarta KOMPAS in Indonesian 15 Dec 79 pp 1, 16

[Article: "Budgetary Estimates of National Revenue Will Be Exceeded"]

[Excerpt] Minister of Finance, Ali Wardhana, states that estimates indicate that national receipts in the year 1979/80, whose total is planned to be Rp 6.93 trillion, will be exceeded. "But if I am asked by how much they will be exceeded, it is difficult to say."

The Minister of Finance made this statement in a working meeting of the Committee on draft state receipts and expenditures of Parliament on Friday (14 December), when he discussed the first six months of the budget for 1979/80.

"This is different from previous budget years," Ali Wardhana said. "In previous reports on the first six months of the budget, it was always merely stated that the budget figures 'will be achieved.' However, in the first six months of budget year 1979/80, it is stated that the budget figures 'will be exceeded.'"

Indeed, there are some circumstances which make it possible that the budget for 1979/80 will be exceeded. For example, the impact of international petroleum prices. But expenditures also will be larger. Among other things what will clearly increase in a major way will be the subsidy for oil fuels.

Providing a further breakdown in his statement, Minister of Finance Ali Wardhana stated that domestic receipts during the first six months of 1979/80 are already more than 50 percent of the total for the year. It was planned that for the budget year they would be Rp 5440.5 billion, while in reality during the first six months they already total Rp 2725.1 billion.

Also, petroleum receipts, which are a part of domestic receipts, in the first six months totaled Rp 1688 billion, while the plan for the whole

budget year was Rp 3344 billion. "Thus, we can already see that a little more than half was reached in the first six months," he said.

The conviction that receipts this budget year would be larger than planned was strengthened further due to one factor, that is, the setting of the international petroleum price by OPEC this December, which is still necessary to wait for.

"For some time recently I have continued to receive phone calls from the ministers. All of them protested against what I set out for the next budget year (1980/81)--Editor). Today also, it appears that there will be no exceptions," said the Minister of Finance.

He said the foregoing in considering the requests and protests of Parliament through the budget committee, regarding the budget for Parliament itself for the year 1980/81. Parliament estimated that its budget would be more than Rp 11 billion, but what the Minister of Finance approved was only Rp 3.3 billion. This request was also presented by the budget committee to the Coordinating Minister for Economics, Finance and Industry and Chairman of the National Development Planning Body, Widjojo Nitisastro, on Thursday [13 December].

5170

CSO: 4213

CAMPAIGN TO SAVE ENERGY TO BE LAUNCHED

Jakarta KOMPAS in Indonesian 7 Dec 79 pp 1, 13

[Article: "There Will Be An Immediate Campaign To Conserve Energy Which Will Be Evident To The Public"]

[Excerpts] A campaign to conserve energy in a form that will be evident to the public will be launched immediately by the government, in this case the department of mining and energy. The campaign will include broadcasts on TV and radio, advertisements, pamphlets, posters, stickers, etc.

In conjunction with this effort, there will also be more organized technical assistance, education in schools, visits by technicians to agencies related to energy use, and advice and counsel service to large-scale energy consumers.

On 6 December, Minister of Mining and Energy Soebroto along with Vice Chairman of Bappenas [National Development Planning Board] J.B. Sumarlin reported on campaign plans and other matters to President Soeharto at Cendana. Soebroto showed sample posters and stickers to the press, which will be distributed shortly. He also showed a drama script with a theme aimed at conserving energy.

According to the minister, the main purpose of the campaign is to instill understanding among the public about the necessity of energy conservation.

He said that while production will not be cut back (in fact efforts to increase it will continue), domestic use of fuel oil will still be reduced. He pointed out by way of example that consumption in 1979 was 20.4 million kiloliters. This was an increase of 14.7 percent over the year before which was 17.8 million kiloliters. The rate of increase for next year will be reduced to 12.2 percent with an increase of 22.9 million kiloliters.

Asked if the President had chosen a system for the Dumai hydrocracker, he answered that based on all technical considerations and costs, the

choice has been made for a system licensed by Union Oil Products (UOP). UOP is a U.S. company which designs and licenses the use of oil production systems.

According to the minister, now that the choice has been made, there only remains to draft the design details and to figure out the exact cost. He did not side step the fact that the cost to finance the project will reach around \$800 million. But concerning the source of those funds, he suggested that Minister of Trade and Cooperatives Radius Prawiro be asked, as he has been given the responsibility of raising the funds. Last week, Radius said "there has been no progress" in efforts to raise the funds.

Soebroto added that Spain and Taiwan are countries that use the UOP system and there are others. According to the minister, the hydrocracker in Dumai which will process low sulphur waxy residue into various oil products will mainly be used to produce kerosene, diesel oil, and solar fuel, in addition to various other products such as nafta [type of gasoline], etc. It is expected the project will be completed in 1983.

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CSO: 4213

TRANSMIGRATION WILL FALL SHORT OF TARGET

Jakarta KOMPAS in Indonesian 16 Dec 79 pp 1, 10

[Article: "Transmigration Target of Third Five-Year Plan Will Not Be Met"]

[Excerpts] The transmigration target of the Third Five-Year Plan of 500,000 families certainly will not be achieved. The remnant or "carry over" will certainly still exist at the end of the Five-Year Plan. This was stated by the Vice-Minister of Transmigration, Martono, in a clear fashion in answering press questions on Saturday [15 December], following his meeting with President Soeharto.

Martono was not yet ready to express his view on how much of the target would be achieved. As a minimum, it was certain that half the target would be achieved, asked the press? "I do not yet dare to say," said the Vice-Minister of Transmigration. His reason was that there are many factors which have not yet been taken into account, like climatic conditions and so forth.

He said that the delay can be seen as of now. First, it involves legal and formal questions, and secondly it involves operational matters in the field. He said that Presidential Decision No 28/1978 concerning the application of transmigration sets out new procedures regarding the manner of work, which must be settled by 1 April 1980.

According to Martono, these procedures possibly still can be applied in time. But the question of operational matters in the field is more difficult, that is, preparing the area for transmigration. "I ask to be given a period of one to two years to resolve this," he said. He pointed to the question of time needed for tenders, provision of heavy equipment and so forth.

Although this is the case, Martono stated that the old ways of doing things are beginning to be changed, in accordance with the instructions of the President. That is, one organization does not need to wait for another organization. For example, in the past, public works, in preparing 1,000 hectares, had to finish the task completely before agrarian affairs would

come to measure the fields. And only after the fields were measured would the transmigration office come to build the houses.

According to the Vice-Minister, the system now is that as soon as 100 hectares are cleared, agrarian affairs must directly come in to measure the fields, and transmigration must directly build the houses. "This really can lower the total number of transmigrants who are not transported in the Third Five-Year Plan. But it still cannot achieve the whole target," he said.

He added that another procedure which is being improved is that volunteer transmigrants will be registered and included in the quota of transmigrants of the Third Five-Year Plan. So it is hoped that the total number of general transmigrants who are not transported will be reduced further. "With the addition of volunteer transmigrants, we hope that the target of the Five-Year Plan can be approached," he said.

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CSO: 4213

SMALLHOLDERS PLANTATIONS TO BE EXPANDED

Jakarta KOMPAS in Indonesian 7 Dec 79 p 2

[Article: "Giant Fund Set Aside for Development of Plantations"]

[Excerpt] During fiscal 1980, the government will set aside credit funds totaling 121,689,780,000 rupiahs (almost 122 billion rupiahs) for upgrading funds for smallholders plantations. These funds will be divided into two kinds, namely long easy term credit for upgrading the rehabilitation and expansion of export crops, and short term credit as Permanent Work Capital Credit (KMKP).

The Director General of Plantations Pang Suparto gave this and other information at a working session with Parliamentary Commission IV on 6 December.

He explained that in order to increase foreign exchange through development of the plantation sector, the directorate general of plantations has set as its goal the investment of \$5 billion, or more than 3.1 trillion rupiahs by the end of Pelita IV [Fourth Five-Year Plan]. The amount of foreign exchange produced by the plantation sector is around \$1.7 billion at present. To reach the goal, a reorganization of the program and projects is being undertaken so as to facilitate development of smallholders plantations as well as the large plantations (PNP [state owned plantations], PTP [limited plantation companies] and privately owned companies).

State plantations (PTP and PNP) will be expanded by using their own funds as well as by opening joint ventures. Credit will be set aside for private companies through the Export-Import Bank. In addition they will be given guidance by the Development Agency for Private and Smallholders Plantations set up by the government.

According to the director general of plantations, in addition to the credit funds available to smallholder plantations in fiscal 1980, a fund will also be established called the Export Crops Fund [DTE] totaling 20.26 billion rupiahs. These funds will come from the added export tax

(PET). The amount of funds contained in the budget to be handled is around 16.29 billion rupiahs so that the total amount that will be handled by the directorate general of plantations is 158.25 billion rupiahs.

Two kinds of long term credit are available to develop smallholders plantations which cover around 6 million hectares. The first kind is for 25 years. During the first three years, the farmer does not have to pay the interest which is 10.5 percent a year. The government will carry the interest for the first three years and also 100 percent of the credit risk (against natural disasters, pest infestations). From the fourth through the seventh years, the farmer will pay 6 percent interest, with the remaining 4.5 percent being paid by the government. The eighth through twenty-fifth years are for repayment of the loan. Up until the twentieth year, the government will continue to carry 4.5 percent interest with funds coming from the DTE, while 70 percent of the risks will be carried by the government and 30 percent will be carried by the farmer.

The second kind of credit is for ten years with a two year interest free period. Afterwards, the government will pay 4.5 percent interest with the repayment period being seven years.

Large scale private plantation credit is available for a 15 year period with a grace period of six years and interest of 10.5 percent. Credit for work capital is 12 percent a year.

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CSO: 4213

RELATIONS WITH PRC REVIEWED

Jakarta KOMPAS in Indonesian 7 Dec 79 pp 1, 6

[Article: "There Are Several Reasons Why Indonesia Still Has Not Normalized Relations With PRC"]

[Excerpt] By the afternoon of 6 December, Minister of Foreign Affairs Mochtar Kusumaatmadja was still unwilling to confirm or deny the possibility of a visit by a PRC delegation to Indonesia to explore the normalization of diplomatic relations between the two countries. "Please just draw your own conclusions," Mochtar said when pressed by reporters following a working session with Parliamentary Commission I (defense and security, foreign affairs and information) on 6 December.

According to reports circulated by several papers, a PRC delegation will visit Indonesia in January 1980. The visit of the delegation is not related to the planned visit of Premier Hua Guofeng to Asian [Association of Southeast Asian Nations] countries.

On 5 December Minister of Foreign Affairs Mochtar denied that Hua Guofeng will visit Indonesia next year.

In the working session, the minister of foreign affairs confirmed that the PRC has been actively making contacts with Indonesian representations abroad in such places as the UN to promote normalization of relations with Indonesia. However, we must maintain vigilance against such Chinese activities, added the minister.

Mochtar restated the reasons why Indonesia has not normalized diplomatic relations with the PRC. According to the minister, several matters have to be considered which could hurt Indonesia if the relations were to be normalized. For example, even if diplomatic relations were normalized, it is not certain that the PRC would stop its two pronged policy of aiding local and regional communist movements while maintaining official relations.

In addition, Mochtar added the PRC attitude toward overseas Chinese is not always in accord with what it keeps on proposing. On the one hand, the PRC encourages overseas Chinese to become citizens of and adapt themselves to the countries in which they live. But on the other hand, PRC takes the attitude that overseas Chinese have a special relationship with the land of their ancestors. "We feel that foreigners in our country must choose to become Indonesian citizens or remain citizens of some foreign country," Mochtar said.

A commission member asked whether the report circulated by the WASHINGTON POST and the GUARDIAN is true that Indonesia plans to repatriate some 900,000 Chinese. Mochtar said it is possible that the report has been misunderstood by the reporters concerned. "I have never heard anything about this at the security policy meetings," he said.

What is true is that Indonesia is seeking a resolution as to the status of around 900,000 overseas Chinese in Indonesia through registration. Some 820,000 of these are Chinese citizens and there are 80,000 who admit coming from Taiwan and, therefore, are stateless in Indonesia. "There is absolutely no intent to repatriate these," Mochtar added.

Answering a question from a different commission member, the minister stressed that for the time being President Soeharto is not going to Hanoi. "I think the time has not come for the president to visit Hanoi," Mochtar said.

When Premier Pham Van Dong visited Indonesia in 1979, he invited President Soeharto to visit Hanoi. After meeting with the president on 4 December, Vietnamese Ambassador Tran My said President Soeharto will seek to determine a favorable time to visit Hanoi. "That is a diplomatic answer," Mochtar said.

According to Mochtar, Vietnam is not claiming any one island in the Natuna group which has become the site of petroleum drillings. Vietnam's objection only concerns the continental shelves between Indonesia and Vietnam. Indonesia still holds that the border of the shelves is determined by the center line between the two outermost islands of the two countries, while Vietnam feels differently, holding to the Thalweg system which is based on the deepest current flow.

Discussions on the border of the continental shelves between Indonesia and Vietnam have been held several times. The latest meeting was in January 1979. On 17 February 1979, the discussions were left as "pending agreement" (postponed), added the minister.

Concerning Indochinese refugees, the minister of foreign affairs said that up to last November only 4,964 had been moved to a receiving country. Some 35,913 remain in Indonesia. Mochtar said the delay is because there is insufficient means of transportation. But recently more transportation has been available; so, it is hoped that in the future around 5,000 people can be moved each month.

IRIAN JAYA REFUGEES TO BE EXPELLED FROM PAPUA NEW GUINEA

Demonstration of Good Relations

Jakarta KOMPAS in Indonesian 19 Dec 79 pp 1, 5

[Excerpts] The Government of Papua New Guinea has decided to return Indonesians born in Irian Jaya who, at the time of the fusion of Irian Jaya with Indonesia, decided to cross over to Papua New Guinea and remain there (permissive residents). Should they not wish to return to Indonesia, the Government of Papua New Guinea will invite them to go to another country in accordance with their wishes.

Minister of Foreign Affairs Mochtar Kusumaatmaja made this statement at the Department of Foreign Affairs in Jalan Pejambon on Tuesday [18 Dec], after having discussions with the Minister of Foreign Affairs of Papua New Guinea, Ebia Olewale, on Monday [17 Dece].

Minister of Foreign Affairs Mochtar said that he welcomed this decision, although in principle Indonesia would have no objection if they wished to return to Indonesia. Yet the consequences will continue to be taken into consideration. "But there are indications that they themselves do not wish to return here," he said.

Regarding when the repatriation would begin, Mochtar said that he had asked Olewale not to be in too much of a hurry. He thought it would be in a few more months. Regarding the number of persons involved, this could not be stated with certainty, but it was believed that there were not many. "But I have asked that a list of their names be transmitted to the Indonesian Embassy prior to the time or at the time the decision is carried out," the Minister of Foreign Affairs said.

Minister of Foreign Affairs Mochtar and Deputy Prime Minister and Minister of Foreign Affairs Olewale on Monday [17 Dec] joined in signing a treaty on the boundary between Indonesia and Papua New Guinea.

The Minister of Foreign Affairs regards the decision of the Government of Papua New Guinea to return the Indonesians as "a gesture of the sincerity

of the Government of Papua New Guinea to prove to Indonesia that it is not necessary to fear any longer that Papua New Guinea will be used as a base for anti-Indonesian operations."

He said that in reality people are already living well in Papua New Guinea, are working and are adjusting there. But because they are regarded as potentially constituting a matter which can damage relations with Indonesia, Papua New Guinea does not want to take the risk. This again proves how Papua New Guinea wants to be friends with Indonesia, not only in words but in actions.

Will they be brought to trial if they return to Indonesia? The Minister of Foreign Affairs said that not all of them were involved in the Free Papua Organization [OPM]. They are only people who left Irian Jaya when that territory was included in Indonesia, because they felt in danger if they remained in Irian Jaya.

Some 200 Political Refugees

Jakarta KOMPAS in Indonesian 21 Dec 79 p 16

[Excerpts] Around 200 people who call themselves "political refugees" from Indonesia up to the present are still living in Papua New Guinea. Meanwhile, those who have returned to Indonesia are about 30 people. This was the view of the Indonesian Ambassador to Papua New Guinea, Busjiri, expressed on Thursday [20 Dec] after being received by President Soeharto at the presidential offices.

According to Busjiri, in the near future many of them will be returned to Indonesia. For that purpose matters must be arranged for their return so that later they can accommodate themselves to the Indonesian community. Some of them have spent four or five years living in Papua New Guinea.

When he was asked whether the former Governor of Irian Jaya, Bonay, was still in Papua New Guinea, Burjiri said that this was a small matter. "If we ask that he be returned, in time he will be sent back," said Ambassador Busjiri.

He added that the Government of Papua New Guinea itself wanted to send them all back, because Papua New Guinea considers that people who make trouble in Indonesia must not hide themselves in their territory.

He reported to the President on the basic treaty on the boundary between Indonesia and Papua New Guinea of 17 December. The treaty is a replacement for the treaty which formerly existed between Indonesia and Australia. With this treaty, an opportunity for troublemakers will be removed.

He added that apart from that, an agreement is being prepared on the continental shelf boundary between Indonesia and Papua New Guinea in the ocean area on the northern side. "I believe that in the near future the treaty can be signed," added the Ambassador.

RELIEF FOR EAST TIMOR OUTLINED

Jakarta KOMPAS in Indonesian 6 Dec 79 p 6

[Article: "CRS Has Helped 240,000 Residents of East Timor"]

[Text] Between 5 September and the present, the Catholic Relief Service [CRS] of the United States Catholic Conference [USCC] has distributed aid reaching around 240,000 people living in East Timor. The aid in the form of food, clothing and medicine is valued at \$770,000. Director of CRS-USCC Francis X. Carlin said this on 5 December.

To distribute this aid, CRS has a staff of 93 in East Timor, has chartered five 1,800-ton ships and two helicopters. In addition, CRS operates 32 trucks, seven of which are owned by CRS, with the rest being leased, and has underwritten finances for the operation of 21 trucks owned by various local governments.

After visiting more than 50 villages in East Timor over a three-month period, Francis Carlin feels that much has already been accomplished by the government, the Indonesian Red Cross and CRS. However, Carlin added that some 134,000 other people will still need clothing and medical help up until April 1980.

For this, CRS has requested additional aid from the U.S. consisting of \$2.2 million and 5,900 tons of food for the January-April 1980 aid program.

In addition, CRS has placed two medical teams in East Timor recruited from the University of Diponegoro. Each team consists of one doctor and three paramedics. This medical program is being funded by Oxfam of Britain.

7785
CSO: 4213

FUTURE HOPES FOR PENSIONED MILITARY

Jakarta TEMPO in Indonesian 9 Feb 80 pp 8-9

[Article: Ali Sadikin wants to get into the mainstream of practical politics. Hugeng might follow. H.R. Dharsono gives estimates for entering the 1987 general elections. Why?]

[Text] Laksamana Sudomo, Commander for the Restoration of Security and Order, is rolling the ball for the first time. In answer to a press question in mid-January, Sudomo said that former members of the Armed Forces who have returned to society and no longer have any formal ties with the military may enter political parties. "This nation is a democratic nation and former military members may determine their own choice," he said firmly.

This attracted Ali Sadikin's attention. Two weeks ago, in the newspaper MURDEKA, the former Jakarta governor said he would be a candidate in the elections for members of the Parliament during the 1982 general elections. Ali Sadikin became an entrepreneur and until now still is in his pension preparation period which ends Jan 81. It has not yet been decided which organization he will enter, PDI (Indonesian Democratic Party), PPP (Islamic Party) or Golkar (Functional Group).

Ali Sadikin's official reason for doing this is that he, as a freedom fighter, feels called upon to struggle for "purifying and redirecting the struggle back to the principles and ideals of the Aug 17, 1945 Freedom Proclamation." If the public receives his decision to compete as a candidate for the 1982 general elections, he promises to espouse the aspirations and ideals of his constituents.

Welcome

There was a great deal of excitement among the people as they learned of this news. Laksamana Sudomo views Ali Sadikin's decision as natural and not unusual. He repeated his former announcement that the pensioned military are free to make their own election choice. As for the active

members, clearly they are forbidden to be involved in a political party. Those in MPP (Pension Preparation Period) status are also not allowed to, since they are still considered active military members.

Pensioned members of Abri (Armed Forces) have the same rights and duties as ordinary citizens. Because of this, no one can prevent them from entering a political party. The case is different for those who wish to join Pepabri (Organization of Pensioned Military). "They will not be accepted if prior to this they have become a member of a political party," said the DPR (Parliament) Chairman, Daryatmo. He believes that with regard to pensioned armed forces officers, no matter how extreme their views, it is not necessary to worry that they will have negative ideas regarding the nation and the people. "If there are those who say extreme things, it doesn't mean that they will rebel. Their intention is to improve conditions," he said. Daryatmo is certain that the pensioned military embody the spirit of Sapta Marga (Seven Pledges) and highly regard the military oath. These words moved A.J. Mokoginta, a pensioned Lt Gen of the Armed Forces, because pensioned military who criticize are held usually in suspicion.

From the political parties there were plenty of welcomes according to Sabam Sirait, Secretary General of Central Executive Council of the Democratic Party. The Party opens its doors to whoever wants to become a member and does not exclude the pensioned military. "Furthermore, a spirit steeped in the Sapta Marga (Seven Pledges), is no different than the Indonesian Democratic Party struggle itself," he said.

It was received in the same manner by the PPP (Islamic Party). "Certainly we will open our doors wide to the pensioned military without the slightest suspicion," said Imam Sofwan, a member of the Central Executive Council of the Islamic Party. They will be judged by their activities and by whether or not they can be trusted. Upon entering, one will not automatically become a leader.

According to Imam Sofwan, there are already some active pensioned military in the PPP (Islamic Party). The names he mentioned are Hassan Basry, former Chief of Kodam X Lambung Mangkurat, who became a member of Parliament Commission IV.

In other regions, continued Imam, quite a few joined the Islamic Party. Usually they are attracted to it for religious reasons. In Pamekasan (Madura) for example, a former Commander of Koramil (Military Precinct Command) became the regional Islamic Party Director.

Monotonous

Before the reverberations caused by Ali Sadikin had subsided, another new voice arose. Hugeng Imam Santosa, former Kaplori (Chief of Indonesian Police Force), said that the possibilities for him to plunge into politics

in the next year or two are compelling. "In evaluating the situation now, things look good enough. Why busy myself setting up a Constitutional Awareness Institute together with other important figures," he asked at the end of last month. There was reason enough for the excitement caused by the plan of Ali Sadikin and Hugeng. Both are famous for their frank and straightforward speech. Their entering into political life, which is almost monotonous at this time, gives hopes of adding some embellishments to the present atmosphere. What adds interest to the story of Bang Ali and Hugeng is that all this time it was taken for granted that pensioned members of the Armed Forces would automatically join Pepabri (Organization of Pensioned Military). In accord with fundamental approximations, Pepabri channeled its aspirations via Golkar (Functional Group). And Golkar, as the Organization founded by the Armed Forces, is seen as the obvious center for the military figures, foremost the pensioners.

So if Ali Sadikin gets involved in a particular political party, that can be taken as a deviation from the normal pattern.

Another well known fact about Sadikin and Hugeng is their important role in LKB (Constitutional Awareness Institute), which of late has been holding meetings and discussions about "carrying out the UUD 1945 (1945 Constitution) in a pure and responsible manner." Did this plan of theirs come because they felt that their efforts in LKB are ineffective, and, therefore, they feel compelled to plunge directly into the political arena?

No doubt the PDI (Democratic Party) and PPP (Islamic Party) can benefit if people like Sadikin and Hugeng join them. PDI had recently suffered from a leadership crisis to the point where the membership has been neglected. Having a few neutral figures join can open doors to various groups that are in conflict with the present party body. The presence of these popular figures might add to their strength and voice in the general elections.

For PPP (Islamic Party), the entrance of many pensioned military could also improve the party. Even though various methods have been tried, the attitude still remains that PPP is a party of extremists. The impression that this party still dreams of an "Islamic State" is still seen as being the nature of PPP. The presence of some pensioned military figures who hold high the Sapta Marga (Seven Pledges) and the Officers Oath can curtail these fears.

What about Golkar (Functioning Group)? This political organization has for some time been flooded with important personalities. Should someone like Sadikin or Hugeng join, the hopes are that the organization will improve. For example, it will become more self-reliant and people oriented. Ali Sadikin's criticisms against Golkar are reasonable enough. According to him, the veto power and sovereignty now in the hands of Golkar, a functioning council, should be in the hands of Congress.

But is it fitting to place such high hopes for Indonesia's political life in the emerging participation of the pensioned military members? Are they so great their activities will be so fantastic? There is a view that the pensioned high officers of the Armed Forces experience a post-power syndrome, a psychological problem that arises when the person no longer has any authority. Is this what is motivating the pensioned military to plunge into the field of politics?

Speculations

H. Hassan Basry, 57 years old, confesses that he did not join PPP (Islamic Party) because he was asked to. "I want to participate in the nation's development since I no longer am a member of the Armed Forces," he said. He chose PPP "because I am a Moslem," he said. Brig Gen Hassan, former Commander of Kodam X Lambung Mangkurat, South Kalimantan, held a private staff position with KSAD (Chief of Army) before receiving his pension in 1969. Hassan, member of PPP since the general elections in 1977, said: "Until now, my spirit and enthusiasm for Sapta Marga (Seven Pledges) hasn't declined. I am a Sapta Margaist."

Not all the pensioned military feel that they should be involved in politics. For example, Lt Gen A.J. Mokoginta, one of the LKB (Constitutional Awareness Institute) figures, told TEMPO: "I wish to offer whatever I have through my present participation in LKB. Within a Party structure I will be tied to formalities. Maybe our group can provide what the party can't." However, the door is not closed for him to join a party in the future. "God willing, once the parties truly reflect the aspirations of the people," he said. He feels that the political parties, as well as Golkar, are still controlled by the government. "Golkar is not really representing the people's aspirations," he commented.

Similar views were shared by pensioned Lt Gen H.R. Dharsono, former Siliwangi Commander. "If Golkar becomes mature, then perhaps it is the logical place for the pensioned military," he said. "At this time most people select parties in harmony with Golkar," he continued. "Do I wish to join a party? At this time, when everything is already planned and directed, it has no meaning. I do not yet see any benefit," he said. He emphasized the fact that he has no desire to enter into politics for the 1982 general elections. "Is there not also an election later in 1987? This is speculation."

According to Dharsono, Ali Sadikin's plan to enter politics has to be seen in a broader context. This is that political life in Indonesia is not as it should be, as seen from the viewpoint of many. "I believe that Bang Ali's decision is not due to Pak Domo having said that the pensioned military may be active in political parties," he said.

What effects will Ali Sadikin's plans have on Pepabri (Organization of Pensioned Military)? Pepabri is seen as the one and only fighting arena

for Armed Forces pensioners. The "Blue Book" which carries the major policies for the Dept of Defense and Security says that the Armed Forces are responsible for building the Pepabri organization, so that it can become strong and dependable.

At this time, there are about 350,000 members of Pepabri. General Chairman Widyapranoto explained that almost all pensioners, with the exception of one or two high officers have become members of Pepabri. According to him, seldom do the pensioners that join political parties emerge as leaders, but not because of lack of prestige. "To become a politician one must have talent and it requires long hours of study," he said. Because of this, many former military men who were unhappy become politicians, and many politicians who did not like the military are happy to give the command to whoever wants it.

But for the pensioned military who do not join Pepabri, "Clearly we are not their enemies," said Widyapranoto. He added the Dutch words, "gescheiden samengaan (different path but the same goal)." That goal, said Widyapranoto, is none other than the Pancasila (Five Pillars), a society that is just and prosperous.

9556

CSO: 8127/0734

TRADE, INDUSTRY DEVELOPMENTS REPORTED

Factories Exceed Production Goals

Vientiane VIENTIANE MAI in Lao 14 Jan 80 pp 1, 4

[Excerpt] On the evening of 9 January of this year the cadres and laborers of the Electrical Wire and Plastic Bag Factory, Rattan Handicraft Factory, Mosquito Coil Factory, Noodle Factory and the Lao Refrigerator Factory, all under the Vientiane Industry and Trade Company, joyously held a ceremony to summarize their 1979 accomplishments. The ceremony also set up 1980 production goals which are to be emulated.

A total of 600 persons were present at the ceremony which included Mr Sisouvan, a member of the Vientiane Industry and Trade Department who is also the head of the Vientiane Industry and Trade Company, representatives of the Ministry of Industry and Trade, workers and cadres from various sectors throughout Vientiane, and laborers from the above five factories.

Responsible representatives from the above factories read reports summarizing the 1979 accomplishments. These said that in spite of the difficulties the production task had to overcome such as insufficient supplies of raw materials, deterioration of the machinery and inferior level of workers' skills, because of their spirit of mastery of their factories, the laborers were infirm solidarity and employed all their initiative in production. As a result, there were able to clearly exceed the expected 1979 production goals.

During this period, the cadres and laborers at the Electrical Wire and Plastic Bag Factory produced 54 tons and 943 kilograms of plastic bags, glasses, plates, cups, cord and flowers, which exceeded the expected 1979 production goal by 174 percent. The Rattan Handicraft Factory manufactured 3,269 livingroom suites, beds, tables, stools and other items, exceeding the expected goal by 220 percent. The Mosquito Coil Factory produced 84,000,027 coils exceeding the 1979 goal by 300 percent. The Noodle Factory produced a total of 113 tons and 66 kilograms of noodles, exceeding the 1979 goal by 95 percent. Finally, the Refrigerator Repair Factory

exceeded their plan by repairing a great number of refrigerators. In comparison with 1978, they went beyond by 116.86 percent.

In addition to brilliantly paying attention to their specialized tasks, the cadres and laborers at the above 5 factories promoted the spirit of self-reliance and self-sufficiency in terms of food supply, crop cultivation and animal husbandry.

In closing, Mr Sisouvan gave a speech to wholeheartedly praise and commend the workers' and laborers' victories at these factories, for exceeding the 1979 production goals. Furthermore, he appealed to the cadres and laborers to increase their spirit of mastery of the factories, to victoriously emulate each other to increase production and to exceed the 1980 goals. He also appealed to the laborers to study culture and their specializations, as well as to promptly wipe out enemy schemes and plots.

Vientiane Garment Factory

Vientiane VIENTIANE MAI in Lao 17 Jan 80 p 1

[Text] In 1979 the workers at the Vientiane Garment Factories 1-2-3 under the Vientiane Department of Industry and Trade determinedly expanded their spirit of responsibility in order to emulate each other to score achievements which, as a result, were very successful.

During this period the workers at these factories produced 46,023 garments, 138 coats, 8,860 pairs of trousers, 13,434 shirts, 10,446 laborers' uniforms and 2,702 items of other clothing.

In addition to their specialized tasks, these workers increased a number of self-sufficient products, that is, they grew rice in over one hectare of land, planted more than 1 ha of peanuts, harvested 105 kilograms of peanuts, planted 105 banana trees and 38 other perennial fruit trees.

Luang Prabang Trade Sector Expands

Vientiane KHAOSAN PATHET LAO in Lao 18 Jan 80 p A6

[Text] In 1979 the Luang Prabang Industry and Trade Department devoted its attention to extensively expand private-partnership stores, collective stores and state stores in order to turn the trading task to serve production bases as prescribed in Party and State guidelines. During this period the workers at the Trade Sector succeeded in expanding 14 collective stores, thus increasing the total number of collective stores throughout the province from 10 to 30. They also succeeded in expanding 3 state stores, increasing the number of state stores throughout the province from 14 to 17. They, in addition, expanded the number of collective store members by 2,389.

At present, the cadres and workers are determinedly transporting agricultural and educational equipment as well as other things to sell and distribute to the people in order to gradually improve their living conditions.

District Rice Sales

Vientiane KHAOSAN PATHET LAO in Lao 18 Jan 80 p A7

[Text] Immediately following the completion of their annual harvest, the people at [Tasseng] Siangmuak, Phan Luang, Mamo, Meunma and Non Sa-at Cantons of Luang Prabang District and Province eagerly and voluntarily brought 20 tons of their surplus rice to sell to the state. [Tasseng] Siangmuak Canton sold the greatest quantity which was over 8 tons. These rice sales by the people at the above localities not only manifested the love for their country and its new socialist system, but also played a part in building funds for the state for use in improving the people's livelihood and in building a stronger and more prosperous nation.

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CSO: 4206

U.S. POLICY TOWARDS INDIA, ISRAEL CRITICIZED

Lahore NAWA-I-WAQT in Urdu 2 Feb 80 p 5

[Editorial: "The Last Chance for America; A Realistic Policy Toward India and Israel"]

[Text] Former U.S. Secretary of Defense Clark Clifford has said that if Russia ever moved toward the Gulf it would mean war with the U.S. He made this declaration in Delhi where he called as a special representative of his country to talk about the circumstances resulting from the Russian takeover of Afghanistan. The purpose of this visit was to eliminate the (imaginary, baseless and even false) fears being expressed in India over mention of the possibility of American economic and military aid to Pakistan. Prime Minister (and "friend" of Russia) Indhira Gandhi has even said that America and China are transforming Pakistan into an arsenal by piling up weapons in it.

This hubbub in India, besides being a habit, is a major tool of a constant effort to blackmail. One purpose of this is to scare America into stopping aid to Pakistan. This way, Pakistan could not become strong and firm compared to India and India's expansionist aims could be realized easily. America is helping this blackmail by improperly soothing India. After the atomic blast [by India], America has not only been supplying atomic fuel to India, but has been overlooking India's friendship with Russia. America is now aware of its interests, which it had been neglecting, in this area and in Pakistan following the Russian military takeover of Afghanistan. In order to stop further Russian intrusion, America has even warned of war.

The necessity of this statement was felt after the visit of Presidential Adviser for National Security Brzezinski and Assistant Secretary of State Warren Christopher to Islamabad. They came to assess the needs for economic and military aid to Pakistan as the result of the Afghan situation. It is not appropriate to make guesses about negotiations held by these American statesmen, because the results will be in the open soon. However, it is necessary to impress upon America that if it is serious about stopping further Russian aggression in this area, it must review its set policy towards India and Israel realistically. If attempts to keep India happy at all costs continue, it will be very difficult for Pakistan to face the danger which is knocking on its borders after the

Russian takeover of Afghanistan. The continuing importance and preference that America gives to Israel compared to the Arab countries alienates the Arab countries, and prevents America from protecting its interests in the Gulf, regarding which it has issued a warning to Russia.

In other words, the time has come for America to speak frankly like Lord Carrington, Foreign Secretary of its ally, Britain. Asked about Sino-Soviet cooperation on Pakistan, at a press conference during his recent visit to Delhi, the foreign Secretary silenced his Indian critics by mentioning an "Indo-Soviet Axis." If the danger of Russian military occupation of Afghanistan was limited to Pakistan, no expression of worry or concern would have been voiced in each of Washington, London, Bonn, and Tokyo. The people of Pakistan had an unforgettable experience in 1970-71 when India, on Russian encouragement, conspired to separate Pakistan's eastern arm by ruthless aggression and destruction. The Western world did not express any shock or distress at that event. The same kind of heartless senselessness was demonstrated after the April 1978 communist revolution in Kabul. A large number of Afghan refugees fled to Pakistan, but for one and a half years not a single Western country felt any need for helping them in the name of humanity. Now that the Russian open takeover of Afghanistan threatens their interests in this area, they are strengthening Pakistan's defense as well as beginning to see the humanitarian side of the Afghan refugee problem. This interest and activity of the Western countries will be successful only when, under the leadership of America, they discard their anti-Islamic policy and adopt a realistic policy towards Israel and India. They cannot keep their interests in the Gulf area safe by oppressing the Arabs in order to keep Israel happy. Similarly, they cannot stop further Russian movement in this area by making aid to Pakistan conditional upon India's happiness. The Russian military occupation of Afghanistan has undoubtedly created a grave danger to Pakistan. To fight it, Pakistan needs help and sympathy from Western and Muslim countries. If help to Pakistan is delayed as usual to keep India, the openly proclaimed Russian friend happy, America and its allies will lose their last chance to protect their interests in this area.

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CSO: 4211

LIBYAN AND SYRIAN POLICY CRITICIZED

Lahore NAWA-I-WAQT in Urdu 4 Feb 80 p 3

[Editorial: "Mistakes of Syria and Libya"]

[Text] According to the joint communique released simultaneously in Damascus and Moscow, following the recent visit of Soviet Foreign Minister Gromyko to Syria, Syrian leaders have supported the Soviet actions in Afghanistan, and have declared that the Israeli occupation of the Golan Heights is more serious than the Soviet occupation of Afghanistan. According to them, America has never paid any attention to the occupation of the Golan Heights.

Mr Gromyko toured Damascus exactly during the days when the emergency meeting of Muslim Foreign Ministers was taking place in Islamabad to assess the situation arising from the open Soviet aggression in Afghanistan. (Besides Libya and South Yemen), Syria was one of the countries which did not or were reluctant to participate in this very important and representative meeting of the Muslim countries. The news from Damascus is that the Russian Foreign Minister congratulated the Syrian leaders over this step. Syria's close relationship with Russia is not a secret. However, the Syrian rulers make a gigantic mistake if they think of Russia as more of a friend than the Islamic sister nations.

The elements of the Ba'th Party who are now in power in Syria represent pure socialist views. A party with the same name and philosophy is in power in Iraq also, and, for a long time, relations between Russia and Iraq were even closer than between Russia and Syria. When Russia objected to action against Iraqi communists and insisted on their recognition, the government of Iraq saw it as interference in its internal affairs and began to take a second look at relations with Russia. The government of Iraq is still in favor of socialism and is counted as one of the "extremist and war-like Arab nations" that are against America and Israel. But Iraq has kept its relationship with Arab nations and the Muslim world intact. It is hard to assess when Syria will have the ability to be realistic like Iraq (and Egypt) about Russia.

The Syrian rulers, by supporting open Soviet aggression in Afghanistan and alienating Syria from the Moslem brotherhood of nations, have neither given proof of their allegiance to Islam nor rendered service to their own people.

As the poet Iqbal put it, no matter what personal differences may exist in the Muslim World, the unchanging fact is that "gains or losses of this [Muslim] nation are gains or losses for all Muslims."

As for the Israeli occupation of Golan Heights, Syrian statement is wrong and baseless, because no Muslim country or Muslim individual is happy about this occupation by Israel. Therefore, in all international Muslim gatherings, Israel is openly urged to give up its occupation of the Golan Heights and other Arab areas. Even Egyptian President Sadat (whose one-sided friendship with Israel has angered all Arab and Muslim countries) has taken a similar position and asked Israel to recall its armed forces from all Arab lands, including Golan. One basic reason for the delay in finalization of relations between Egypt and Israel is the problem of Palestinian freedom in the Ghaza Strip and the West Bank. The complaint of Syrian leaders in regards to the Golan Heights is the same as that expressed by all other Arab and Muslim countries. Using this complaint against America to support the Soviet aggression against an ancient and traditionally independent country like Afghanistan is totally unreasonable.

The Syrian leaders should also know that, in this conference of Muslim Foreign Ministers, Pakistan did not raise the issue of Kashmir which is very important to it (like life and death). This conference was called to express the unity of the Muslim world against the Russian aggression in Afghanistan; therefore, Syria's decision not to participate in it is not proper. In the resolutions passed at this conference, besides asking Russia to withdraw its army from Afghanistan, demands were made for Israel's exit from all Arab lands (obviously, Golan is included in these). Much more saddening or shocking than Syria is the attitude of Libya. Syrian President Hafiz Al-Asad whatever he may be, has at least never claimed to be the standard bearer of Islamic renaissance. But Libyan leader Qadhafi [holds himself out as] a zealous supporter of the Islamic revolution. Of course, after some delay, he did send his country's delegation to Islamabad, but Libya's aloofness about Russian aggression in Afghanistan was still apparent. If we compare this attitude of Syria and Libya with that of America, we face a very bizarre situation. The close relationship between America and Israel does not need any explanation, but the appointed spokesman for America, Mr Brzezinski, on his arrival in Islamabad openly showed agreement with doctrines of Islamic renaissance in very good terms. On the other hand, Syria, Libya and Yemen are bent upon spoiling everything for the sake of their imaginary and fleeing benefits.

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CSO: 4211

GOVERNMENT EXPENDITURES CRITICIZED

Lahore NAWA-I-WAQT in Urdu 4 Feb 80 p 3

[Editorial]

[Text] After the recent increase in gas prices, the Railways have increased their passenger and freight rates by about 25 to 30 percent. The news that the government's transport department and the national airline (PIA), instead of following the example of the Railways, have decided to decrease their administrative expenses rather than increase their fares, is refreshing and exhilarating. To this end, PIA will have to curtail its expenses by 300 million rupees. It is apparent that this decision was made after foreseeing the possibility of such savings. Had the Railways had such foresight, there would have been no such increase in passenger and freight rates. Anyway, after this action by PIA, it is important that all government agencies and departments, especially industrial and commercial agencies under management of the government, should evaluate the possibilities of curtailing their expenses and try to save as much as possible. If the managers fail to see their duty in this regard, the government should take the initiative of formally ordering a 15 to 20 percent cut in their expenses.

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CSO: 4211

PROGRAM SET FOR SELF-SUFFICIENCY IN EDIBLE OILS

Karachi MORNING NEWS in English 9 Mar 80 p 1

[Text] Rear-Admiral Mohammad Fazil Janjua, Federal Minister for Food and Agriculture, said here today that an FAO aided programme would shortly be launched in Pakistan for growing improved varieties of safflower, sunflower and soyabean to reduce the country's dependence on the import of edible oils.

He was talking to the APP at Lahore airport before his departure for New Delhi to attend the regional FAO conference beginning tomorrow.

The Minister said Pakistan's import bill of edible oils at present was 260 million dollars--the second after fuel which was a big burden on the national economy.

He said Pakistan's climate and the conditions suited well to the growth of plants which yielded edible oils.

He said the Pakistan Agricultural Research Council would now work on these varieties and supply them to the farmers to grow them on their fields for a greater production.

The Minister said the FAO would also secure assistance for Pakistan to increase the storage capacity for wheat and rice at various places in the country.

Regarding the recent visit of Dr Edouard Saouma, Director-General, FAO to Pakistan Admiral Janjua said it had been highly productive as it helped Pakistan to explain to the FAO chief the overall activity now going on the field of agriculture in Pakistan.

Earlier in Rawalpindi yesterday while giving an interview to PTV Admiral Janjua has said that significant steps have been evolved forthwith to increase the overall agricultural production to the optimum, with emphasis on the ensuing kharif crop.

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BRIEFS

AFGHAN REFUGEES--Bonn, 22 Jan (PPI)--The West German Red Cross Society has announced that the number of Afghan refugees will reach 1 million by next month. At present, the number of refugees present in Pakistan is over 700,000. These refugees are in dire need of tents, food and warm clothes. [Text] [Quetta JANG in Urdu 23 Jan 80 p 1] 7997

AFGHAN REFUGEE DISEASES--Peshawar, 24 Jan--The refugees who are leaving Afghanistan for Pakistan are still coming in, and, even today, caravans of buses have been seen entering the city of Peshawar. It has been learned that 30 percent of the Afghan refugees arriving in Pakistan are suffering from chest disorders and another 15 percent from tubercleosis. These refugees are being treated. [Text] [Quetta JANG in Urdu 25 Jan 80 p 1] 7997

MEETING ON AFGHAN REFUGEES--Quillat, 28 Jan--A meeting on "Afghan refugees and Pakistan" was held here yesterday under the auspices of Pakistan National Center, Quillat. It was chaired by Haji Mirza Khuda Baksh, Chief Administrator of Quillat and addressed by Malik Mohammed Afzal and Zaki Ahmed. The speakers said that due to the recent upheaval in Afghan politics, hundreds of thousands of people who adhere to the Moslem religion have fled to Pakistan. These brave and true people have endured all sorts of trouble to protect their Moslem faith. They were forced to abandon their homes and belongings. There are now hundreds of thousands of refugees living in Pakistan. The speakers said that Pakistan was helping and providing the Afghan refugees with the necessities of life according to available resources in the spirit of neighborliness and humanity. The number of the refugees is increasing daily, and, the speakers added, Pakistan is helping them because of their religious brotherhood and feeling of humanity. The speakers said that many countries have cooperated in helping these refugees, and that we should give them our moral and financial support according to the best of our ability. This is not only our religious duty but our responsibility from the moral point of view. We can help them by saving money from our daily expenses. The speakers pointed out that hundreds of thousands of refugees with their families are living in tents inspite of the cold. It behooves us to adopt the Moslem custom, follow the example of Medina's help [to Mecca's refugees during the Hegira] as our ideal, and help the refugee brothers in every possible way. [Text] [Quetta JANG in Urdu 29 Jan 80 p 5] 7997

ELECTION SYSTEM IN COURT--Lahore 28 Jan (PPI)--Retired Supreme Court Justice B.Z. Kaikaus filed a petition against the present method of election, the Western [style] democratic system and political parties. The case is being heard by the Lahore High Court's Bench of Religious Law. The bench is composed of Justice M.S.H. Quareshi, Justice Dr. Javed Iqbal, and Mr. Abid Allah. In his opening statement before the court, S.M. Zaffar said that elections and the democratic system are not against Islamic vital principles. On the contrary, they are exactly in accord with these principles. He said that the first four Caliphs were elected according to the democratic system, because they had the following of the majority. He also said that the Koran has neither condemned nor supported majority opinion; therefore, it is improper to lable this system as anti-Islamic. He said that this custom is not imported from India; and is not against Islamic principles. When people adopt principles, he said, these [become integrated with religion]. He added that since the people in the whole country as well as the political parties have supported the statutes of 1954, 56, 62, 71 and 73, we cannot call these anti-Islamic. He said that touching the issue of the statutes of 1973 would be like opening a can of worms, and would spread disappointment and panic. He will continue his argument tomorrow. [Text] [Quetta JANG in Urdu 29 Jan 80 p 5] 7997

ECONOMIC STRATEGY FOR MUSLIM COUNTRIES--London 3 Feb (PPI)--As long as the Muslim world does not try to attain its objectives for progress on its own, there will remain possibilities of its falling prey to one of the prevalent economic systems. Therefore, it is imperative for the Muslim countries to strengthen their human and material resources on the basis of self-sufficiency through cooperation. These views were expressed by Prof Khursheed Ahmed, Chairman of the Institute of Policy Studies and former Minister of Planning, in an article titled "Islam and the new economic system" presented at an international conference in Geneva. Prof Khursheed Ahmed said that self-reliance is not just an economic necessity--it is a must for making any progress. At present, some Mulsim countries have invested their surplus foreign exchange in Western countries even though the oil producing countries can benefit more by mutual investment. He suggested that in order to stop the exodus of manpower from Islamic countries to Western countries, it is important to overcome various hurdles, such as communication, and to form fact finding committees. Prof Khursheed Ahmed specially emphasized that Islamic countries need to improve their resources in order to limit their import of grains. Similarity, serious attention should be given to industrial progress and to the production of defense equipment. [Text] [Lahore NAWA-I-WAQT in Urdu 4 Feb 80 p 1] 7997

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